

COST SAVINGS AGREEMENT BETWEEN

THE STATE OF ILLINOIS

AND

AFSCME COUNCIL 31

WHEREAS, the parties recognize the State of Illinois is faced with a significant and unprecedented fiscal deficit.

WHEREAS, the parties entered into a mediated resolution of an outstanding grievance regarding planned layoffs on January 26, 2010, that saved jobs and saved the State over \$300 million dollars in FY11.

WHEREAS, the parties have continued to seek cost savings measures by entering into a Cost Savings Agreement that established a goal of saving the State of Illinois an additional \$100 million dollars in FY12.

WHEREAS, the terms of that Agreement provided that if the Union could identify at least \$50 million dollars in costs savings—subject to agreement by the Employer-- for FY12 by October 31, 2010, there would be no layoffs of bargaining unit employees nor facility closures through the end of FY 2012.

WHEREFORE, the parties agree that at least \$50 million dollars of cost savings for FY 12 have been identified in the cost saving measures attached herein, and that the requirements set forth in paragraph 3 of the parties' September 24, 2010 Cost Savings Agreement are hereby satisfied.

Therefore, there shall be no temporary or indeterminate layoffs through the end of FY2012 (June 30, 2012), nor shall the State close any facilities prior to July 1, 2012.

The parties remain committed to continue working to save the State of Illinois the mutually targeted goal of \$100 million dollars in FY12 and have identified substantial additional potential savings which require further study and discussions. The Employer agrees to continue to analyze the numerous cost savings ideas submitted by AFSCME Council 31 with the intent of reaching the parties' goal of \$100 million costs savings in FY12 by implementing those ideas to the fullest extent operationally feasible.

This Agreement is incorporated into the September 24, 2010 Cost Savings Agreement including the dispute resolution mechanism outlined in paragraph 6 of that Agreement.

This agreement is subject to a ratification vote by the Union.



State of Illinois

11-3-10
Date



AFSCME Council 31

10/28/10
Date

The parties agree that at least \$50 million dollars of cost savings for FY 12 have been identified in the cost saving measures listed herein, and that the requirements set forth in paragraph 3 of the parties' September 24, 2010 Cost Savings Agreement are hereby satisfied in the following manner:

1. 2% of the July 1, 2011 general increase set forth in Article XXXII, Section 6(f) shall be deferred until February 1, 2012. Employees who submit by May 1, 2011 an irrevocable intent to retire prior to January 1, 2012 shall not be subject to the deferral. Savings \$27.6 Million
2. Social Security and Medicare Savings from Deferral. Savings \$2.1 Million
3. Enhance FY12 Furlough Program. Savings \$6.0 Million
4. Contractor Conversion: IBM IT Contract; DOC Accounting Contracts; ISF C IRI System Contract. Savings \$4.2 Million
5. Reduction of Overtime in 24/7 Facilities. Savings \$3.0 Million
6. DOC Parole Car Reorganization. Savings \$1.3 Million
7. Implementation of State-wide Document Management Program. Savings \$3 Million
8. Expansion of Salvage and Recycling Programs at DOC. Savings \$900,000
9. Implementation of Suggested Improvements within Correctional Industries. Savings \$1 Million
10. Energy Efficiency Modifications within DOC. Savings \$900,000



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The parties remain committed to continue working to save the State of Illinois the mutually targeted goal of \$100 million dollars in FY12 and have identified substantial additional potential savings which require further study and discussion. The Employer agrees to continue to analyze the numerous cost savings ideas submitted by AFSCME Council 31 with the intent of reaching the parties' goal of \$100 million of costs savings in FY12 by implementing those ideas to the fullest extent operationally feasible. The ideas referred include but are not limited to the following:

Regionalized PPO Network Implemented 1/1/12 FY12
Meal Rescheduling on Weekends and Holidays at DOC
Modifications of Commissary Items for Inmate Purchase
Additional Schedule Changes within Parole and DOC to Reduce Overtime
Increase Utilization of Surplus Land
Centralized Court Reporting
Additional technology enhancements within DHS & DCFS
Expansion of Recycling and Salvage State-wide
State-wide Energy Enhancements



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Side Letter

Cost Savings/Layoff Agreement

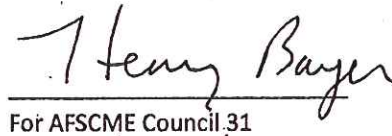
Racing Board

The parties recognize that the Employer does not have complete control over the operation of race tracks and that the closure of a race track would leave the Employer without a reasonable alternative to the implementation of the provisions of Article XX – Layoff. In the event the Employer provides notice to the Union of the need to implement Article XX procedures due to the closure of a race track, the parties shall meet to determine the appropriate course of action to minimize the impact, including possible alternatives to layoffs.



For the State of Illinois

11-3-10
Date



For AFSCME Council 31

10/27/10
Date